

**USAID/BANGLADESH**

**2002 Annual Report**

The attached results information is from the FY 2002 Annual Report for Bangladesh and was assembled and analyzed by USAID/Bangladesh.

The Annual Report is a “pre-decisional” USAID document and does not reflect results of USAID budgetary reviews. Additional information on the attached can be obtained from Bernadette Bundy-Mitchell, Desk Officer, The Asian and Near East Bureau, U.S. Agency for International Development, Washington, D.C. 20013.

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## **Please Note:**

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### **Annual Report Part III: FY 2001 Performance Narrative**

Bangladesh ranks among the world's poorest countries in terms of GDP. Its 130 million people crowd onto a small delta plain, one of the most densely populated and natural disaster-prone locations on our planet. Yet, despite all, the country holds considerable promise for a brighter future. Bangladesh's agriculture sector has performed remarkably well over the last decade, now providing self-sufficiency in basic grains and serving as an engine for the country's high growth rates. Its export garment sector has emerged seemingly out of nowhere to employ over 1.5 million workers, mainly women. The success of the garment sector and agriculture, together with the reliability of donor support, has contributed to a GDP growth rate that ranks among the best in the developing world. Moreover, the garment sector is just one part of a profound social change in progress, that has seen women join not only the work force, but also turn out en masse for elections and achieve parity in access to primary schooling. A dynamic NGO sector provides services to vast segments of Bangladesh's poor with donor and charitable support. Recent discoveries of natural gas offer hope of revenues to underwrite needed investments in social services and infrastructure.

Expectations for progress, however, must be qualified against the considerable obstacles the country faces that challenge development efforts. Bangladesh enjoys a stable democratic system, but the longstanding hostility between the two major political parties commands far more attention and energy from the country's leaders than does the task of solving urgent national problems. Public institutions are weak, and from this weakness has flourished a pervading and corrosive corruption. Bangladesh's strong growth rates have had a disappointingly weak impact on poverty reduction, especially in rural areas, and have been achieved at some expense of the natural environment.

The events of September 11 were devastating for Bangladesh. Not only did nearly 70 Bangladeshi compatriots perish in the World Trade Center attacks, but the resulting global economic downturn also cost the country dearly in lost export sales, jobs and income. As a result, in 2002, the balance of payments and fiscal situation are both precarious, and will require politically difficult steps for stability and strong growth to be restored.

Politically, the impact has been equally challenging. A moderate South Asian Islamic country, Bangladesh expressed its immediate support of the global alliance against terrorism. Nevertheless, the country remains vulnerable to the same political stresses and economic pressures that have engendered unrest and disaffection in other parts of the world. These new realities have prompted a review of USAID/Bangladesh's assistance program. In this resource request, the Mission proposes new areas of focus within our strategy to better address potential sources of crisis and instability. These initiatives will require modest increments to USAID funding for Bangladesh over the next few years. In particular, USAID plans include:

- Expansion of democracy and governance activities, to better support improved rule of law, human rights protections, anti-trafficking and anti-corruption;
- Introduction of a new basic education program;
- Additional assistance to diversify the economy, both in agriculture and to spur development in information technology (IT), energy and financial markets;
- A more comprehensive effort to mitigate population pressures on the environment through community resource management of wetlands and forests;
- New linkage programs, in the spirit of the Global Development Alliance, to seek partnerships between U.S. and Bangladeshi universities and IT sectors; and
- Assistance to mitigate two emerging public health threats: HIV/AIDS and arsenic.

#### ***Fertility Reduced and Family Health Improved – Strategic Objective 1***

Results during FY 2001 to reduce fertility and improve family health exceeded expectations. USAID's integrated health activities support the MPP strategic goals in both health and population. The primary beneficiaries are women and children who are receiving good quality, integrated health and family

planning services through a network of non-governmental organizations (NGOs) in 353 static clinics and more than 165,000 associated satellite sessions.

In FY 2001, NGO clinic usage increased by 37.4% providing a total of more than 19 million service contacts. FY 2001 quality-assurance data from USAID-assisted NGOs demonstrated that 71% of clinics were in compliance with an index of quality indicators, up from 25% in 1998-1999. Technical assistance and training was also provided to the GOB to improve logistics and procurement of contraceptive and other health commodities and continued support to the social marketing program. USAID continued to provide local-level technical assistance for the eventual unification of the Health Ministry's separate health and family-planning logistics systems. Procurement issues were reviewed to facilitate the Health Ministry's stalled expenditure of World Bank funds for contraceptives and other health commodities. Procurement manuals were developed, and training was provided for Health Ministry staff.

Results of family planning services improved the total couple years of contraceptive protection provided by USAID-supported NGOs to 38 million, an increase of 22% from FY 2000. Distribution of oral contraceptives, injectables and condoms increased by 18.5%, 22.8% and 32.6%, respectively. A new clinical-contraception initiative resulted in the growth in users of Norplant and IUDs by 75.4% and 31.2%, respectively, albeit from low baselines. Under an initiative begun late in FY200 that promises to increase access to and demand for long-term family planning, voluntary surgical contraception (VSC) increased by 140% from initial low utilization rates. The Social Marketing Company's (SMC) initiative to market injectable contraceptives, begun in 1999, saw the sale of injectable contraceptives increase by 279% (also beginning from a low baseline), and over-the-counter sales of oral contraceptives increase by 30.1%. Condom sales rose by 4%.

In child health services, treatment of childhood diarrhea and acute respiratory infection by USAID-assisted NGOs, and measles vaccination increased by 46.7%, 63.2%, and 28%, respectively. Oral-rehydration-salts sales by SMC rose by 13%. Antenatal and postnatal care increased by 43.9% and 113%, respectively, while tetanus immunizations for mothers grew by nearly 52.7%. Results will soon be available from the USAID-funded maternal mortality survey; related collaboration with UNICEF on reducing maternal mortality continued. An urban safe-motherhood pilot program was initiated.

USAID-funded polio-surveillance facilitators played a major role in documenting an acute-flaccid-paralysis rate of 1.84, up from 1.82 in FY 2000, indicating continued effective surveillance. No cases of wild polio were recorded in the past 18 months. USAID technical assistance supported the National Immunization Day (NID) campaign, which achieved full polio protection coverage of 93%, up from 89.5% last year. USAID will continue to provide technical assistance for polio until Bangladesh is certified polio free. Vitamin-A supplementation, also occurring during NIDs, reached nearly 90% of eligible children.

USAID's HIV/AIDS strategy continued to concentrate on high-risk groups, as national HIV/AIDS sero-prevalence held steady at 0.2%. USAID activities in FY 2001 included sale and distribution of more than 1.5 million condoms to those at highest risk; STI treatment of more than 40,000 persons; 235,000 one-on-one peer counseling sessions; and group sessions that reached more than 1 million at-risk individuals. These targeted efforts aim to change behavior patterns among high-risk groups that can accelerate sero-prevalence.

A significant level of field support enabled: provision of contraceptive supplies; technical assistance to the Ministry of Health in logistics and procurement; a new program for clinical contraception; improvements in quality-assurance monitoring and reporting; behavioral surveillance, education and outreach for HIV/AIDS; reproductive health education materials for adolescents; and policy dialogue related primarily to the role of the private sector.

In June 2002, USAID's successful family and child health service activities will be consolidated under the new NGO Service Delivery Program (NSDP) via a single cooperative agreement in order to simplify management and to introduce cost efficiencies while expanding the number of services available. The NSDP is intended to further increase service utilization, continue to improve NGO institutional self-sufficiency and work more closely with the Ministry of Health and other donors to develop national health policy related to NGOs.

Assistance to the GOB in logistics and procurement, vital to contraceptive security, will continue, as will support to strengthen VSC services in the public and NGO sectors. USAID will also continue to provide contraceptives for social marketing, albeit on a declining scale as SMC's reliance on cost recovery and World Bank funding increases. Significant efforts will be undertaken to re-organize SMC, streamline its management and administration and to improve and formalize relations between SMC and the Ministry of Health with a view to obtaining long-term commodity support from the MOH and other donors.

The Mission requests, under Part V of this Annual Report, that additional resources be made available for HIV/AIDS so that this SO can attack this problem while prevalence is still low. Unless current prevention efforts are expanded significantly, it is not a question of whether HIV prevalence will increase, but when. The most cost-effective time to deal with HIV in Bangladesh is clearly now.

### ***Improved Representation of Interests of Disadvantaged People in Selected Locations – Strategic Objective 3***

All major activities under SO 3 have concluded and were reported in the FY 2003 R4. SO 3 will officially close out at the end of FY 2002, after the completion of limited analytical work in the next few months. A closeout report for SO3 will be submitted with next year's annual report.

### ***Growth of Agribusiness and Small Business – Strategic Objective 5***

Overall objectives have been met. The self-assessment is based on qualitative information and USAID monitoring because a new set of performance indicators was finalized and targets newly established late in FY 2001. With the finalization of the performance monitoring plan, FY 2001 and 2002 have effectively become baseline years for several indicators. In mid FY 2002 a data quality assessment will be completed to affirm confidence in the revised sales growth indicator for future reporting at the SO-level.

Achievements in sales growth were significant; sales growth of assisted firms increased by \$23.8 million in 2001, including \$5.1 million in exports. The small business project helped 550 enterprises (157 of them formal) enter new geographic markets in 2001. Innovative approaches to developing market linkages are showing promising results. For example, small-scale pineapple and milk producers belonging to informal, USAID-organized commodity-based business associations are receiving higher prices for their products and are expanding their markets and having access to commercial lines of credit. In the leather footwear industry, USAID is leading the way in developing export markets, for example, helping to increase Bangladesh's penetration into the Japanese footwear market. According to a Japanese trade publication, Japanese customs clearance statistics show that 933,000 pairs of shoes were imported from Bangladesh during FY 2001. These exports, valued at approximately \$19 million, were produced by nine USAID-assisted footwear manufacturers. USAID provided them with training for about 3,000 workers and with product and market development assistance. This growth in footwear exports is supported by creating backward linkages in the production and marketing chain to small and medium-sized firms and newly-formed microentrepreneurial clusters whose employees are learning technical skills that are in sync with world market footwear product demand.

At another level, USAID's program also directly improves the livelihoods of about 200,000 poor rural households every year through its fishpond and home gardening activities. The former helps rural families throughout Bangladesh to increase fish production from small ponds with environmentally-sound, low-cost fish-farming technologies. It has demonstrated dramatic impacts on household income and employment, and has also improved nutrition for participating families. Between 1999 and 2001, fish production from ponds of participating farmers has increased fourfold, and net income has tripled. In FY 2001, 11,600 assisted households produced 2,200 MT of fish worth \$1.76 million, and jobs were created for 6,800 persons (51% women). Since its inception, the home gardening activity has worked with over 870,000 rural households around the country, promoting household vegetable and fruit production as a means to improve nutrition and also raise incomes through sale of surplus crop produce. There is evidence that the program has improved the Vitamin A status of its primary beneficiaries, poor rural women and their young children. Opportunities for small nursery businesses are also being created, as over

10,000 village nurseries have been started. Home gardening has also stimulated positive social change for women by providing opportunities for microenterprise development, training, and involvement in local support networks. Ninety-five percent of garden managers are women. In 2001, the home gardening program stimulated \$4.68 million in new sales growth and tens of thousands of job-equivalents (75% female).

The fact that sales growth results were lower in FY 2001 than reported for the previous year can be attributed primarily to a combination of a tightening of the definition of the indicator and a gap between two phases of our major contributing (agribusiness) project. Other factors that negatively affected overall SO performance include the Bangladeshi political environment, with numerous changes in key GOB personnel and frequent hartals, detracting from project implementation; and the world-wide economic downturn that has led to a drop in demand and prices for key Bangladeshi exports. The new agribusiness project is now in full implementation, providing technical assistance and training to over 50 clients across five subsectors via cost-sharing agreements. The small business development project, which is preparing for close-out in 2002, has refocused its efforts on emerging industries that have the best growth potential, and also on establishing a sustainable platform for its most promising interventions. The two rural-based projects promoting pond aquaculture and home gardening continued to achieve considerable impact among a large client population while refining their approaches and technological packages and expanding geographic coverage. Two banks began utilizing their Loan Portfolio Guarantee program agreements aimed at stimulating small business lending, and a third bank signed an agreement near the end of FY 2001.

The overriding challenge for the foreseeable future is to find creative means to stimulate private sector growth in an extremely difficult economic environment. The global economic slowdown, exacerbated in the aftermath of the September 2001 terrorist attacks in the U.S., together with the GOB's fiscal crisis and long-overdue policy reforms, have had a crippling effect on Bangladesh's economy. As demand for exports has plummeted, thousands of workers have been laid off, most conspicuously in the country's number one export industry, ready-made garments. The value of the country's number two export, frozen shrimp, fell at least 30% in CY 2001, as a result both of reduced demand and lower prices. Shrimp prices have been adversely affected by incidents of bacterial contamination, which only accentuate the prevailing market perception of Bangladeshi shrimp as an inferior product vis-à-vis its competitors. Given its economic importance, USAID's agribusiness project is taking on the challenge of working intensively with the shrimp export industry beginning in 2002 to develop a Seal of Quality program aimed at helping the industry position itself to improve its competitive position in world markets when an economic upswing occurs. USAID-assisted footwear producers are now facing a 13-15 percent decrease in expected export earnings, with U.S and Japanese firms delaying or canceling orders. USAID is optimistic that planned interventions hold promise; however, we expect that meeting performance targets in the near term will be a challenge.

USAID continues to be seen as a leader in bringing modern information technology (IT) to Bangladesh, as evidenced by our sponsorship of a major conference on e-commerce. The successful conference stimulated the development of a GOB policy agenda, establishment of the country's first e-commerce website, and work to develop a comprehensive IT Act. In FY 2002 USAID will respond to a GOB request to carry out an IT-enabled service sector study that will provide a framework for an overall IT sector strategy. Plans are also underway to participate in the Global Technology Network (GTN).

Several other new activities are being planned for 2002 and 2003. A new enterprise development project will be designed that, like other ongoing USAID projects, will combine appropriate policy, institutional, and enterprise-level interventions aimed at facilitating private sector growth within a competitive market environment. In addition, modest new pilot initiatives will also be funded to assist the GOB with reform efforts and policy priorities such as information and communications technology (ICT) strategy, policy reforms in the telecommunications sector, financial sector, bank regulation, business marketing and trade constraints analysis, and other areas affecting economic growth. Pending the outcome of pilot activities, longer-term projects to promote development of the nascent ICT sector, as well as targeted policy reforms or market development efforts may be designed in 2003. In consultation with the Embassy and in support of the MPP strategic goal of broad-based economic growth, ESF funds will be programmed to support key reform opportunities in the financial sector and GOB privatization initiatives. In 2002, the Mission will begin exploring possibilities for developing an initiative to improve bank regulation. In response to a Central Bank request for assistance, an agreement with the U.S. Treasury is expected to be put in place

to provide short-term assistance and training. If implemented effectively, this activity would contribute substantially to the worldwide effort to crack down on money laundering by terrorist organizations and crime syndicates and may open opportunities for additional banking sector assistance.

Another challenge for this SO concerns managing and reporting with a coherent set of indicators on a range of diverse activities across the spectrum of private enterprises. For example, assistance provided to microenterprises under USAID's home gardening project has helped rural women and men develop profitable small-scale nursery enterprises, but much of the information appropriate to document that kind of success cannot be easily consolidated with data from USAID's other export-oriented business development projects. USAID also hopes to cooperate more intensely with other donors in studies that will help prioritize needs while improving the reliability of economic data.

### ***Improved Management of Open Water and Tropical Forest Resources – Strategic Objective 6***

Performance under the Open Water component has fully met expectations, with some noteworthy accomplishments. USAID assistance is benefiting poor fishing families in three major wetland floodplains through more sustainable aquatic resource management that is increasing fish production, improving nutrition, incomes and biodiversity. A population of more than 500,000 is already seeing positive impacts on local habitat and ecosystems as well as increased fish production. Sixteen newly-formed local Resource Management Organizations (RMOs) are participating in community resource planning and management and helping to "self-regulate" unsustainable fishing practices. The RMOs are implementing restrictions on fishing in an effort to reduce the catch of both brood and juvenile fish, thus helping to replenish dwindling fish stocks, promoting fish sanctuaries to help increase production and diversity, and participating in physical interventions to restore watersheds and riverbanks. Performance targets in adopting best management practices have been met and 2,200 hectares of floodplain are now being sustainably managed by RMOs, against the 1,000 hectare target. Forty thousand trees have been planted at two project sites, against a 2,000 target, to restore wetland and riparian ecosystems.

USAID's community awareness program has been extremely successful and surpassed all targets for participation. Its innovative education and outreach efforts in schools and fishing communities are effectively informing stakeholders about the imperative to conserve natural resources. Action programs, including physical interventions and restoration, are mitigating environmental degradation. Over 484 meetings and rallies have been attended by more than 62,000 people in the past two years helping to raise awareness of environmentally-sound practices in affected communities.

Efforts to make up for lost income due to better-controlled fishing resulted in the formation of 54 new community credit groups in the past year, bringing the total to 159, with 3,180 members. Supplemental income-generating activities involved 550 individuals receiving credit and technological cooperation through these groups during FY 2001 meeting targets in supplemental income generation.

Existing government policies limit conservation opportunities and often favor unsustainable harvesting of natural resources. In response, USAID is developing an influential network of activists and organizations that will help inform policymakers and promote an open policy dialogue.

The signing of the Debt Exchange and the Tropical Forest Conservation Agreements on September 12, 2000, set the stage for the tropical forest component of USAID's program. Legal, institutional, fiscal, and administrative options for implementing the agreements have now been developed. This work will prepare the Foundation, established pursuant to the agreement, to implement a small grants program for conservation and management of tropical forest biodiversity.

Building upon experience in community management of open water resources, USAID plans to develop a more integrated approach to both aquatic and terrestrial resource management. The new activity will link the open water and tropical forest components while building local capacity in both aquatic and tropical forest resources management. It will consolidate lessons learned in community-based resource management and serve as a catalyst in the development of a protected area management system in Bangladesh.

### ***Improved Performance of Key Institutions in the Energy Sector – Strategic Objective 7***

Expectations for SO 7 in FY 2001 have been met with some indicators surpassing their targets. Already USAID activities are showing results in energy-related institutions and at the policy level. In the longer term, energy sector reform will provide Bangladeshi citizens with reliable access to affordable energy and should improve prospects for economic growth. While the GOB was recently forced to raise energy prices, a much more serious and comprehensive approach to energy reform is necessary to address the sector's problems.

In FY 2001, progress in unbundling the power sector continued, with 1216.5 KM of transmission lines transferred to the newly-established Power Grid Company of Bangladesh (PGCB), surpassing the target of 405 KM. The rural electrification program continued strengthening the capacity of the Rural Electrification Board (REB) and rural power co-operatives. The number of electrical connections in rural areas increased significantly and the total number of legal power connections in the country increased from 5.000 million to 5.337 million in FY 2001. An added benefit is that rural power cooperatives are creating employment opportunities for women in outlying areas under favorable conditions and with possibilities for learning new skills. Nearly 100% of all cashiers and billing assistants are women.

By agreement with the GOB, local currency resources complement USAID's support to rural electrification. A grant to Grameen Shakti helps provide renewable (photo-voltaic) energy to remote areas that will fall outside the REB power grid for the foreseeable future. During FY 2001, 3,186 photo-voltaic systems were provided surpassing the target of 2,200. At the same time, the project generates employment opportunities for poor women.

The USAID-funded United States Geological Survey (USGS) study of Bangladesh's undiscovered natural gas resources in early 2001 has had the desired result of encouraging the new Bangladesh Government to give further consideration to exporting natural gas and by promoting lively public debate on the country's resources and its future. Passage of the draft Electricity Reform Act and the related Gas Act is anticipated in FY 2003 and will set the stage for necessary additional reforms.

Further restructuring of the power sector through the transfer of transmission and distribution assets to the respective utilities is required to move the power sector away from its existing, inefficient, vertically-integrated structure. Regrettably, progress in the energy sector is hindered by the GOB's uneven commitment to reform and the lack of substantial action. However, the new GOB appears to be more amenable to the reform agenda and the looming fiscal crisis and global economic downturn suggest that the GOB cannot remain indecisive much longer. USAID is promoting continued dialogue with all stakeholders, and has cultivated constructive relations with high-level government officials, particularly leaders in the energy sector. USAID will continue to closely monitor these developments as FY 2002 is likely to be a pivotal year for GOB decisions on gas exports and energy reform.

### ***Improved Food Security for Vulnerable Groups – Strategic Objective 8***

Food security and disaster management programs have met most program targets for FY 2001. Bangladesh's most vulnerable citizens benefit from appropriately targeted food commodities. Poor communities, in rural and urban areas, are benefiting from both humanitarian and development activities that upgrade rural infrastructure, provide access to safe drinking water and hygienic sanitation, and generate income.

While Bangladesh did not experience any sizeable natural disasters during FY 2001, USAID's disaster preparedness assistance helps to ensure that potential suffering and loss can be minimized. Contingency plans, prepared under USAID's community-based disaster management program, now ensure that over 20 million vulnerable people in 220 high disaster prone areas will have access to emergency relief supplies within 72 hours of a disaster, an increase of 2 million people in FY 2001. During FYs 2000 and 2001, more than fifty thousand people were trained in community-based disaster management practices (30% are women) and the Flood Proofing (FP) program covered nearly 125,000 people in 195 villages.

USAID's Title II program, which supports sustainable community infrastructure and disaster management, is largely on track for FY 2001, even though late monetization by the GOB necessitated changes in budget and activity levels. Implementation of the quality rural roads program, flood proofing and urban slum development has become more efficient as a result of skills- transfer and institution-building activities with the Local Government Engineering Department. In FY 2001, 357 kilometers of farm-to-market, low-cost, hardsurface roads were constructed and 141 km of earthen village roads were rehabilitated - meeting road construction targets. Impact data on reduced transportation costs is still being analyzed. During FYs 2000 and 2001, over 900,000 trees were planted alongside roads, helping to save road slopes from erosion and providing over 50,000 person-months of employment for destitute women "tree caretakers". Title II programs also contribute to healthy sanitation and provision of safe drinking water. During FY 2001, 17,147 sanitary latrines were constructed, exceeding the target. Slower construction of arsenic-free drinking water facilities to allow for more rigorous arsenic monitoring resulted in slightly below target construction (5,258 as opposed to 5,290 water facilities) for FY 2001.

Support for agricultural diversification has also helped to promote the participation of women in agriculture through a very successful "Whole Family Training Program (WFTP)" in USAID's wheat production activity. During FY 2001, about 2,500 farm families in four regions of the country were trained in wheat production technology. In this period, wheat yield per hectare was estimated to be 17% higher in WFTP targeted areas than the national average yield. USAID support to strengthen the Wheat Research Center has resulted in increased in-house capacity to conduct sound breeding and agronomic research as evidenced by its credibility and success in introducing more new varieties. USAID expects that expanded support in agricultural diversification will be necessary to address the seeming intractable food security issues of access to food and utilization of food. Increased crop diversity of vegetable and fruit crops, available at the household level, should help individual beneficiaries by providing more immediate access to food as well as new opportunities to improve and enhance family diets.

Initial investigations on arsenic contamination have begun. USAID plans to expand the investigation to cover irrigation water and the potential impact on the food production chain and plant health. This will provide the GOB with more accurate information about arsenic and possible options to mitigate its adverse effects.

USAID's food policy assistance to the GOB which focused on food grain management and the promotion of private sector grain markets, ended in FY 2001. While national-level food grain production is increasing and problems of gross availability appear to be lessening, continued support related to public food security policy remains vital. The new government has yet to prioritize the elements of its new Comprehensive Food Security Policy. Once these priorities have been established, USAID plans to identify areas of overlap between the GOB priorities and USAID program strategies. Future technical assistance in food security policy FYs 2002-05 will likely be directed towards access-to-food and utilization or nutrition focused policies and activities.

The GOB is also reviewing its food for education (FFE) program and considering the provision of a stipend to beneficiaries in lieu of food. This would be a significant change from the current program where Title II food commodities are sold to the GOB and result in local currency that is used to support the development programs of USAID's cooperating sponsors. The monetized food also represents a significant share of the GOB's food safety net program (including FFE). In fact, because FFE absorbs about one-third of the total Public Food Distribution System (PFDS), this contemplated change could potentially generate a significant increase in PFDS food stock levels unless alternative mechanisms to target food distribution are quickly identified.

### ***Strengthened Institutions of Democracy – Strategic Objective 9***

Modest expectations for FY 2001 start-up activities for two central components of USAID's democracy strategy - local government reform and human rights advocacy - were met. Targets for ongoing activities

in parliamentary, citizens' advocacy, anticorruption and anti-trafficking activities were also met with particularly noteworthy accomplishments. The direct beneficiaries of USAID assistance are civil society organizations that are increasing their capacity to advocate for stronger local government, a more responsive parliament and improved human rights. The indirect beneficiaries of USAID's human rights and labor activities, under-represented and vulnerable people, are beginning to see results from anti-trafficking and labor activities that target women and children.

During FY 2001, activities supporting parliament and citizen input shifted focus to the October 2001 parliamentary elections, supporting civil society watchdog and voter education activities, political party poll watchers, international observers, and a UN coordination office. Over 150,000 domestic observers were deployed; and 630,000 manuals were printed, distributed and used in training over 450,000 political party poll watchers. The outcome of USAID's support in coordination with other donors and civil society organizations was the freest, most transparent and least violent election in Bangladesh's history. Intensive pre-election work also laid the groundwork for early progress with the new parliament and for future political party development activities.

An August pre-election visit led by former President Jimmy Carter brought about important public commitments for strengthening Bangladesh's democracy from the leaders of all of the main political parties. In particular, they agreed to implement mechanisms that would enhance the role of the opposition in Parliament and to participate in Parliament rather than boycott it. Although the major political parties have since reneged on several commitments, the ideas behind them are now integrated into national-level political dialogue.

The program to combat trafficking began to produce some of the first systematic, periodic data on trafficking this year. One USAID-supported NGO has effected the return of 44 women and children from India, Pakistan and the United Arab Emirates; released six women and 24 children who were victims of internal trafficking; and provided information which led to the arrest of 108 traffickers over a 15-month period, of whom three were convicted. USAID-funded anthropological research is uncovering important aspects of international trafficking that had not been before recognized.

Ongoing support for anti-corruption contributed substantially to the national political dialogue. A major analysis of corruption in the education sector, a fact-finding exercise on the Bangladesh Bureau of Anti-corruption, and a corruption perception survey received wide press attention. The survey rated Bangladesh at the bottom of all countries rated and contributed in important ways to a national political discussion. USAID's funding has also allowed its NGO partner to test its grassroots organizational model by establishing and monitoring six local civil society watchdog groups.

A USAID-supported center for women working in the garment industry was established this year. The center offers nightly training programs on human rights, health and labor issues that are heavily attended. Several human rights organizations have stepped in to assist in training and advocating for issues affecting women garment workers. A large fire-safety program, based on the existing USAID-supported program, was funded by the US Department of Labor and endorsed by the garment manufacturers' association.

A basic education sector assessment was delayed after September 11, due to security concerns. The assessment, which will now be completed in June 2002, will enable USAID to identify significant gaps in basic education and opportunities for USAID to contribute to improving quality and addressing equity issues. Beginning in FY 2002, grants will be provided to NGOs to support innovative approaches to enhance educational opportunities for under-served children and to address quality issues in basic education. A broader education strategy under a potential new Strategic Objective in Education will be formulated and proposed by early FY 2003.

This SO confronts a number of important challenges. The newly-elected government is actively discussing reconfiguring fundamental aspects of the local government system. Unfortunately, citizen input has neither been solicited nor incorporated into the GOB's planning process. USAID's recently initiated effort to build a constituency for local government reform will seek constructive opportunities to

contribute to the process. USAID will need to bolster its assistance to address empowerment issues for both women and minorities under its human rights advocacy activity. The new government appears to be more activist in attempting to regulate NGO activities. This may affect some groups that USAID works with and make it more difficult for donors to directly fund NGOs working on democracy and human rights issues. Finally, with the opposition party continuing its protest of election results and refusing to join parliament, an underlying objective over the next year will be encouraging the opposition to participate in the parliamentary process. USAID must continue to find productive ways to address the acrimony between the major political parties.

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## Annual Report Part IV: Results Frameworks

### SO 1: Fertility reduced and family health improved

#### Indicators:

- 1a. National Contraceptive Prevalence Rate
- 1b. Under-five Mortality Rate in Targeted Areas

#### Context Indicators

- Total fertility Rate
- Total Fertility Rate
- Infant Mortality Rate
- Child Mortality Rate
- HIV Sero-Prevalence

#### **IR 1.1: An expanded and improved package of health and family planning services available from NGOs**

Indicator 1.1a: Average composite quality compliance score for NSDP clinic

Indicator 1.1b: Percentage of NSDP NGO clinic operating costs recovered from fees

Indicator 1.1c: Percentage of NSDP service providers trained in IMCI

Indicator 1.1d: Improved MOH policy environment in support of NGO service delivery

#### **IR 1.2: Changed behaviors related to high-priority health problems**

Indicator 1.2a: Number of NSDP NGO clinic contacts

Indicator 1.2b: Total SMC condom sales

Indicator 1.2c: Percentage of women receiving antenatal care during pregnancy from a trained provider

#### **IR 1.3: Increased contraceptive prevalence and contraceptive security**

Indicator 1.3a: Average monthly percent of GOB thana warehouses with no stockouts of one or more contraceptives

Indicator 1.3b: CYP from non-surgical contraception distributed by SMC and NSDP NGOs

Indicator 1.3c: CYP provided through surgical contraception

## Annual Report Part IV: Results Frameworks

### SO 5: Growth of agribusiness and small business

Indicator:

Sales growth of USAID-assisted enterprises, disaggregated by domestic and export sales



#### IR 5.1: More market-oriented policies, laws and regulations adopted

Indicator 5.1a: Milestone scale for market-oriented policies, laws and regulations adopted by the Government of Bangladesh, NGOs and/or other private institutions

#### IR 5.2: Stronger business support institutions established

Indicator 5.2a: Value of capital provided by USAID-assisted financial intermediaries

Indicator 5.2b: Number of non-financial institutions assisted

#### IR 5.3: Improved performance of USAID-assisted enterprises in targeted sectors

Indicator 5.3a: Number of formal enterprises that enter new geographic market after assistance from USAID

Indicator 5.3b: Number of enterprises that adopt improved technologies or management practices after assistance from USAID

Indicator 5.3c: Value of financial resources raised by USAID-assisted enterprises from all sources

## Annual Report Part IV: Results Frameworks

### SO 6: Improved management of open water and tropical forest resources

#### Indicators:

- 6a. Extent to which best practices from USAID-funded projects are used elsewhere
- 6b. Increased production of natural resources in targeted areas
- 6c. Increased biodiversity in targeted areas



#### **IR 6.1: Effective community based resource management mechanisms implemented**

Indicator 6.1a: Area of floodplain where sustainable management is implemented

#### **IR 6.2: Select habitats and ecosystems improved**

Indicator 6.2a: Aquatic habitats converted from seasonal to perennial in targeted areas

Indicator 6.2b: Upland forest habitat improved in targeted areas

Indicator 6.2c: Riparian habitat improved in targeted areas

#### **IR 6.3: Select policies implemented that support IR 6.1 and IR 6.2**

Indicator 6.3a: Leases of water bodies to community resource management groups granted in target areas

Indicator 6.3b: Number of communities adopting the following key regulations in target areas:

- Restrictions on the use of inappropriate fishing methods and gear
- Restrictions on the fishing season and harvesting of fish fry
- Restrictions on the areas of fishing

#### **IR 6.4: Public awareness of key issues increased**

Indicator 6.4a: Number of individuals reached by public awareness activities

#### **IR 6.5: Improved institutional capacity**

TBD

## Annual Report Part IV: Results Frameworks

### SO 7: Improved performance of key institutions in the energy sector

#### Indicators:

- 7a. Private power generation increased
- 7b. Percentage of total system loss reduced
- 7c. Number of annual legal electricity connections increased
- 7d. Production of natural gas increased



#### **IR 7.1: Increased institutional capacity through reform**

Indicator 7.1a: Gross revenue of PGCB increased

Indicator 7.1b: Gross revenue of GTCL increased

#### **IR 7.2: Improved enabling environment**

Indicator 7.2a: Private investment in power sector increased

Indicator 7.2b: Private investment in gas sector increased

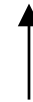
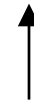
#### **IR 7.3: Improved infrastructure** (other donors, GOB, pvt, investment)

## Annual Report Part IV: Results Frameworks

### SO 8: Improved food security for vulnerable groups

#### Indicators:

- 8a. Percent of households consuming minimum daily food requirement
- 8b. Percent decrease in staple food transport costs in target areas
- 8c. Percent of people in target areas with access to emergency relief supplies
- 8d. Number of person-days of employment created



#### **IR 8.1: Improved food security policies**

Indicator 8.1a: Percent of Public Food Distribution System food going to targeted programs

Indicator 8.1b: Percent of food grains imported by private sector

#### **IR 8.2: Improved environmentally sound infrastructure in target areas**

Indicator 8.2a: Km of farm to market roads upgraded for year round traffic

Indicator 8.2b: Number of persons served with safe drinking water

Indicator 8.3c: Number of persons with access to hygienic sanitation

#### **IR 8.3: Improved disaster preparedness in target areas**

Indicator 8.3a: Number of contingency plans in place in target areas

Indicator 8.3b: Percent of target population with access to flood proofed facilities

#### **IR 8.4: Enhanced diversity in agriculture production in target area**

Indicator 8.4a: Percent increase in wheat production in targeted areas

Indicator 8.4b: Percent increase in maize production in targeted areas

## Annual Report Part IV: Results Frameworks

### SO9: Strengthened institutions of democracy

**Indicators:**

- 9a. Political rights and/or civil liberties trends
- 9b. Civil society advocacy index



**IR 9.1: A broad-based constituency for strong local government developed**

Indicator 9.1a: Regular broad-based public debate on local government issues

Indicator 9.1b: Intermediary groups actively lobby at the national level for strong and democratic local government

**IR 9.2: Greater responsiveness of parliament to citizen input**

Indicator 9.2a: Public provides input to committee hearings

Indicator 9.2b: Committee deliberations open to media

**IR 9.3: More effective civil society advocacy of human rights**

Indicator 9.3a: Public awareness of human rights issues

Indicator 9.3b: Number of individuals arrested on trafficking laws

## Annual Report Part IV: Table 1: Selected Performance Measures

February 19, 2002

Indicator (all data should pertain to FY or CY 01)		OU Response			Fund Account	Data Quality Factors
Pillar I: Global Development Alliance: GDA serves as a catalyst to mobilize the ideas, efforts, and resources of the public sector, corporate America and non-governmental organizations in support of shared objectives						
1	Did your operating unit achieve a significant result working in alliance with the public sector or NGOs?	Yes	No X	N/A		
2	a. How many alliances did you implement in 2001? (list partners)  b. How many alliances do you plan to implement in FY 2002?	X  X				
3	What amount of funds has been leveraged by the alliances in relationship to USAID's contribution?	X				
Pillar II: Economic Growth, Agriculture and Trade: USAID works to improve country economic performance using five approaches: (1) liberalizing markets, (2) improving agriculture, (3) supporting microenterprise, (4) ensuring primary education, and (5) protecting the environment and improving energy efficiency.						
4	If you have a Strategic Objective or Objectives linked to the EGAT pillar, did it/they exceed, meet, or not meet its/their targets?	Exceed	Met X	Not Met	DA	Involves several SOs. Overall objectives have been met. Assessment is based on partners' reports, qualitative and quantative data analysis, and USAID monitoring.
USAID Objective 1: Critical, private markets expanded and strengthened						
5	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No X	N/A	DA	Overall objectives have been met. Self-assessment is based on qualitative information and USAID monitoring. With the finalization of PMP in early this fiscal year, FY 2001 and 2002 have effectively become baseline years for several indicators.
USAID Objective 2: More rapid and enhanced agricultural development and food security encouraged						
6	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No X	N/A	DA, Title II proceeds, 202(e)	Food security and disaster management programs have met most program targets for FY 2001. Several indicators are used to measure performance. Assessment is based on qualitative and quantitative data analysis, partners' reports, and USAID monitoring. Data quality factors vary for each indicator, but overal are satisfactory.
USAID Objective 3: Access to economic opportunity for the rural and urban poor expanded and made more equitable						
7	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No X	N/A	DA, Title II proceeds, 202(e)	Objective 3 involves several SOs. Overall objectives have been met. Several indicators are used to measure performance. Assessment is based on qualitative and quantitative data, partners' reports, and USAID monitoring.

Indicator (all data should pertain to FY or CY 01)		OU Response			Fund Account	Data Quality Factors
USAID Objective 4: Access to quality basic education for under-served populations, especially for girls and women, expanded						
8	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X		
9	a. Number of children enrolled in primary schools affected by USAID basic education programs (2001 actual)  b. Number of children enrolled in primary schools affected by USAID basic education programs (2002 target)	Male	Female	Total N/A  N/A		
USAID Objective 5: World's environment protected						
10	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes X	No	N/A	DA	Fully met expectations, with some noteworthy accomplishments (see narrative). Several indicators are used to measure performance. Assessment is based on partners' reports, program evaluation, and USAID monitoring.
11	a. Hectares under Approved Management Plans (2001 actual)  b. Hectares under Approved Management Plans (2002 target)	6,300  10,000			DA	Primary data. Data Quality Assessment to be completed by end of FY02.  Projected data.
Pillar III: Global Health: USAID works to: (1) stabilize population, (2) improve child health, (3) improve maternal health, (4) address the HIV/AIDS epidemic, and (5) reduce the threat of other infectious diseases.						
12	If you have a Strategic Objective or Objectives linked to the Global Health pillar, did it/they exceed, meet, or not meet its/their targets?	Exceed X	Met	Not Met	DA, CSD	Results to reduce fertility and improve family health exceeded expectations. USAID's integrated health activities support the MPP strategic goals in both health and population. Several indicators are used to measure performance. Assessment is based on partners' reports and USAID monitoring. DHS will be conducted in 2002-03, and data will be available in 2004.
USAID Objective 1: Reducing the number of unintended pregnancies						
13	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes X	No	N/A	DA, CSD	As above.
USAID Objective 2: Reducing infant and child mortality						
14	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes X	No	N/A	DA, CSD	As above.

Indicator (all data should pertain to FY or CY 01)		OU Response			Fund Account	Data Quality Factors
USAID Objective 3: Reducing deaths and adverse health outcomes to women as a result of pregnancy and childbirth						
15	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes X	No	N/A	DA, CSD	As above.
USAID Objective 4: Reducing the HIV transmission rate and the impact of HIV/AIDS pandemic in developing countries						
16	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes X	No	N/A	DA, CSD	For target group: High Risk Population
USAID Objective 5: Reducing the threat of infectious diseases of major public health importance						
17	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X		
Pillar IV: Democracy, Conflict and Humanitarian Assistance						
18	If you have a Strategic Objective or Objectives linked to the Democracy, Conflict and Humanitarian Assistance Pillar, did it/they exceed, meet, or not meet its/their targets?	Exceed	Met X	Not Met	DA, CSD	Several SOs are involved. Modest expectations for two start-up activities focusing on two central components of democracy strategy were met and made some noteworthy accomplishments. Some indicators are not yet finalized as two major components of the program have recently become fully operational. Assessment is based on partners' reports and USAID monitoring.
USAID Objective 1: Rule of law and respect for human rights of women as well as men strengthened						
19	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No X	N/A	DA, CSD	Data are collected and maintained by local NGO partners.
USAID Objective 2: Credible and competitive political processes encouraged						
20	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No X	N/A	DA, CSD	Data for election are based on work of a coalition of 29 local NGOs, facilitated by The Asia Foundation and the National Democratic Institute.
USAID Objective 3: The development of politically active civil society promoted						
21	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No X	N/A	DA, CSD	Assessment is based on partners' reports and USAID monitoring.
USAID Objective 4: More transparent and accountable government institutions encouraged						

Indicator (all data should pertain to FY or CY 01)		OU Response			Fund Account	Data Quality Factors
22	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No X	N/A	DA, CSD	As above.
<b>USAID Objective 5: Conflict</b>						
23	Did your program in a pre-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X		
24	Did your program in a post-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X		
25	Number of refugees and internally displaced persons assisted by USAID	Male	Female	Total X		
<b>USAID Objective 6: Humanitarian assistance following natural or other disasters</b>						
26	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X	Title II proceeds, and OFDA	Several indicators are used. Primary data collected and analyzed by CARE and World Vision with adequate USAID guidance and monitoring.
27	Number of beneficiaries	1.6 million			Title II proceeds, and OFDA	As above.

**Table 2: Selected Performance Measures for Other Reporting Purposes**

The information in this table will be used to provide data for standard USAID reporting requirements

Indicator (all data should pertain to FY or CY 01)		OU Response			Fund Account	Data Quality Factors
Child Survival Report						
Global Health Objective 1: Reducing the number of unintended pregnancies						
1	Percentage of in-union women age 15-49 using, or whose partner is using, a modern method of contraception at the time of the survey. (DHS/RHS)	N/A			DA, CSD	DHS will be conducted in 2002-03, and data will be available in 2004.
Global Health Objective 2: Reducing infant and child mortality						
2	Percentage of children age 12 months or less who have received their third dose of DPT (DHS/RHS)	Male	Female	Total N/A	DA, CSD	As above.
3	Percentage of children age 6-59 months who had a case of diarrhea in the last two weeks and received ORT (DHS/RHS)	Male	Female	Total N/A	DA, CSD	As above.
4	Percentage of children age 6-59 months receiving a vitamin A supplement during the last six months (DHS/RHS)	Male	Female	Total N/A	DA, CSD	As above.
5	Were there any confirmed cases of wild-strain polio transmission in your country?	No				
Global Health Objective 3: Reducing deaths and adverse health outcomes to women as a result of pregnancy and childbirth						
6	Percentage of births attended by medically-trained personnel (DHS/RHS)	N/A			DA, CSD	As above.
Global Health Objective 5: Reducing the threat of infectious diseases of major public health importance						
7	a. Number of insecticide impregnated bed-nets sold (Malaria) (2001 actual)	N/A				
	b. Number of insecticide impregnated bed-nets sold (Malaria) (2002 target)	N/A				
8	Proportion of districts implementing the DOTS Tuberculosis strategy	N/A				

## HIV/AIDS Report

### Global Health Objective 4: Reducing the HIV transmission rate and the impact of HIV/AIDS pandemic in developing countries

9	a. Total condom sales (2001 actual)	146.7 million pieces			DA, CSD	Primary data.
	b. Total condom sales (2002 target)	155 million pieces			DA, CSD	Projected data.
10	a. Number of individuals treated in STI programs (2001 actual)	Male	Female	Total N/A		
	b. Number of individuals treated in STI programs (2002 target)			N/A		
11	Is your operating unit supporting an MTCT program?	No				
12	a. Number of individuals reached by community and home based care programs (2001 actual)	Male	Female	Total N/A		
	b. Number of individuals reached by community and home based care programs (2002 target)			N/A		
13	a. Number of orphans and vulnerable children reached (2001 actual)	Male	Female	Total N/A		
	b. Number of orphans and vulnerable children reached (2002 target)			N/A		
14	a. Number of individuals reached by antiretroviral (ARV) treatment programs (2001 actual)	Male	Female	Total N/A		
	b. Number of individuals reached by antiretroviral (ARV) treatment programs (2002 target)			N/A		

Victims of Torture Report					
Democracy, Conflict, and Humanitarian Assistance Objective 7: Providing support to victims of torture					
15	Did you provide support to torture survivors this year, even as part of a larger effort?	N/A			
16	Number of beneficiaries (adults age 15 and over)	Male	Female	Total N/A	
17	Number of beneficiaries (children under age 15)	Male	Female	Total N/A	

Global Climate Change			
USAID Objective 5: World's environment protected			
18	Global Climate Change: See GCC Appendix	Yes	DA GCC appendix included with this AR.

## Annual Report Part VII: Environmental Compliance

Initial Environmental Examination (IEE): USAID/Bangladesh's Strategic Plan for FY2000 – FY2005 includes six strategic objectives. IEEs for all existing programs under all the SOs, with one exception, have been approved and none of these IEEs needs revision. The exception is one activity, Agri-based Industries and Technology Development program (ATDP-II) under SO5, for which the IEE is in progress and which is expected to be completed and submitted to the ANE Bureau Energy Officer this spring. USAID is in the process of designing a new program for conservation and improvement of management of tropical forests under SO6. This year under PL-480 Title II, the Mission approved several environmental monitoring plans under CARE's Integrated Food Security Program (IFSP) and World Vision's program, Food Security Enhancement Initiative Program.

In addition, there are a number of new designs being planned under SOs 1, 5, 7, and 8. New education activities will begin late in FY 2002 which are likely come under a new SO for education in FY 2003. IEEs for all new activities are being will be conducted according to the plan below.

### Notional Timeframe for new IEEs

Activity	Initiate IEE	Completion
ATDP-II	Initiated	April 2002
Conservation and Improved Management of Tropical Forest Resources	TBD	TBD
IT Program: Digital Opportunity Through Technology (DOT) Dot-Gov or Dot-Org)	March 2002	March 2002
Support for Economic Growth & Institutional Reform (SEGIR)/ General Business Trade & Investment (GBTI)	TBD	TBD
Rural Electrification Program Follow-on	TBD	TBD
Food Security in Bangladesh: Improving Wheat, Maize and Papaya Production, and Impacts of Arsenic Contamination	TBD	TBD
New Agreement for Home Gardening (Helen Keller, International)	TBD	TBD
Global Technology Network (GTN)	March 2002	April 2002
Treasury Participatory Agency Service Agreement (PASA)/ Inter Agency Agreement (IAA)	April 2002	July 2002

Environmental Compliance: USAID/Bangladesh has no issues related to the implementation of the requirements under 22 CFR 216.

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